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7 September 1954

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Item for Director's Log

It is suggested that the following be included in the Director's Log for today's activities:

The Fringe Employment Benefits which were approved by the President, it is understood, on 2 September 1954 changes the compensation rates on overtime. The previous Act established a time and a half rate of overtime pay for employees whose base salaries were \$2,980 per annum and a diminishing scale of overtime pay for employees whose basic salaries were \$2,980 or more per annum with a ceiling of \$10,330 as the maximum rate which could be paid in any pay period. The new law provides time and a half for all employees receiving \$5,060 or less and for employees receiving in excess of this amount up through grade GS-15 an amount equal to time and a half on \$5,060 with a ceiling of \$11,800 as the maximum rate which can be paid in any pay period.

To indicate the impact that this will have on overtime pay, the following schedule of overtime rates per hour on several grades is given:

Grade	Per Annum Rate	Prior Overtime Rate Per Hour	New Overtime Rate Per Hour
GS-4	\$ 3,175	\$ 2.11	\$ 2.29
GS-7	4,204	1.92	3.03
GS-9	5,060	1.77	3.64
GS-11	5,940	1.60	3.64
GS-12	7,040	1.51	3.64
GS-14	9,600	1.51	3.64
GS-15	10,800	00	3.64

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No basis for estimating the additional cost of overtime is available. It should be noted, however, that during the pay period from July 18 through 31 July, a total of 23,363 hours of overtime was reported. This did not include any overtime for those individuals employed in the last two steps of Grade GS-14 and all those in Grade GS-15. In addition, the average grade of employees in the Agency is approximately GS-9. Based upon this, it is possible that the total cost of overtime, if continued at the present level, might double. During the past year overtime paid for by the Agency amounted to approximately \$1,718,000.

The Bureau of the Budget has informally stated that all agencies are expected to absorb any increased costs resulting from this act.


E. R. SAUNDERS
Comptroller

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